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European Union

Livestock and Products

Export refunds on pig meat closed 2004

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Report Highlights:

The recent crises in the European pig meat sector, was tackled by the European Commission by the introduction of export refunds in January 2004.

Since the major crises now seems to be over and the prices of pig meat have recovered, the Commission closed the export refunds on March 16 of this year.

The refunds had then aided shipments of 70,000-75,000 tons of pig meat with a value of 20-25 million Euros.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2]
[E2]

Export funds for pig meat closed

At the end of 2003 and the beginning of 2004 the European pig meat sector faced a major crises. The Euro was currently very strong against the dollar, feed prices were very high due to last summers draught and consumers demand for pig meat was extensive.

In order to tackle these problems and in an attempt to rebalance the EU market, the European Commission decided to reintroduce export refunds on pig meat in Jan 27, 2004. The Commission wanted this to be a short-term measure. Refunds were to be eligible for use only until April 2004. Before this, export refunds for pig meat had not been applied since June 2000.

The export refunds that were introduced in January 2004 for half carcasses, cuts and bellies are now down to zero as from March 16. However, export restitutions on processed pig meat products remain in place. This means that the situation is the same as before these export refunds were introduced in January 2004.

The Pig meat Management Committee closed the export refunds since they had outlived their role now that the crises of recent months had blown over and the prices for pig meat had improved again. The prices have recovered from 112 Euro/100 kg in the beginning of January till 135 Euro/100 kg in mid March. The refunds have aided shipments of around 70,000-75,000 tonnes with a value of approximately €20-25 million.

Those products that were eligible for export refunds before the Commission in January 2004 took this emergency measure are however still eligible for export refunds. This concerns dried or smoked ham, sausages and other prepared and preserved meat. For more information on this see Commission regulation No: 481/2004.

http://europa.eu.int/eur-lex/pri/en/oj/dat/2004/l_078/l_07820040316en00090010.pdf

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